

CERTIFIED PUBLIC MANAGER PROJECT

NAVIGATING AND PROPERLY DOCUMENTING THE PROCUREMENT PROCESS

February 1, 2007

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JUL 23 2007

STATE DOCUMENTS

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Problem Statement

The procurement function for all South Carolina governmental bodies is governed by The South Carolina Consolidated Procurement Code (Code) enacted by the General Assembly in 1981. One of the primary intents of the Code is to provide uniformity to the procurement process. The Code contains numerous provisions defining the procurement process. Each governmental body (Agency) is charged with developing an internal procurement manual in accordance with Section 19-445.2005 of the Code (“All governmental bodies shall develop an internal procurement procedure manual.”). Once completed by the Agency and approved by State Procurement, the manual becomes the procurement “law” for that Agency. Due to various factors, manuals are not kept current and quickly evolve into “dust collectors”, thus potentially placing the Agency in violation of the Code. The revision of these manuals will become increasingly more difficult as turnover through attrition and retirement affects the number of experienced and knowledgeable procurement staff across government. This project will focus on the development of a uniform procurement manual template that will provide the necessary tools for the new generation of procurement officials who are unaware of what is necessary and required by law to do their jobs.

The National Association of College and University Business Officers (NACUBO) said this about purchasing policies and procedures,

A written statement of policies for the purchasing function, approved by the governing board or the appropriate administrator, is essential. This statement should define responsibilities of the purchasing department and assignment of authority within the department; establish criteria for selection of vendors, bidding procedures, determination of quality standardization and other operating policies; and provide a basis for formulating procedures.

Intended Results

The template will be available to agencies who are either looking to establish or revise their existing procurement manuals. The template will identify the topics necessary to define purchasing procedures. Through the establishment of these procedures, procurement officials will become more consistent in the performance and understanding of their work. Ultimately, training time should be reduced for new or advancing procurement professionals. In addition, agencies will be better prepared for their procurement audits in that the Agency's procurement manual is one of the first items reviewed by the State Procurement Auditors.

Further benefits of a template and subsequent procedure manual may include:

- Increasing the level of professionalism of a procurement office,
- Clarify and improve relationships with other functions and departments,
- Provide standards across government procurement, and
- Fulfill management requirements.

Data Collection

Data for this project was solicited and collected with the understanding that it is virtually impossible to develop a standard procurement manual that would apply uniformly to all government entities. Each agency has its own unique set of circumstances and customer needs. Keeping this in mind, we did not limit the scope of data collection exclusively to SC state government. In an effort to reach out and capture a diverse representation of procurement manuals, we sought information through the National Institute of Governmental Purchasing (NIGP), the South Carolina Association of Governmental Purchasing Officials (SCAGPO), state legal staff, the internet and the South Carolina State Library. We were able to obtain a broad representation of governmental entities that included other states, local school districts, national organizations, SC State agencies and, of course, the Budget and Control Board's Internal Operations procurement guidelines.

Data Analysis

The data we collected represents a broad array of information that required a detailed analysis to determine what common components would be best suited for our project. This required the tedious task of a side-by-side analysis to sift through and capture the common threads. Keeping in mind that the template represents a practical application of generally accepted governmental purchasing practices, agencies must be keenly aware that it should not be used as an absolute, but should be used in conjunction with their own internal procurement policies and regulations. Therefore, with the data being derived from such a diverse governmental representation, it is intended to be used as a guide for a multitude of governmental agencies in the development of a comprehensive procurement manual.

As part of our data analysis, we sought statistics regarding the turnover in agency and state level procurement offices throughout state government. Though such statistics were unavailable, the staff turnover experienced by the State Procurement Office during the period from Fiscal Year 2000 through 2005 serves as a microcosm of that found throughout South Carolina government procurement during that same period. To illustrate, see Attachment A.

The Template

This template includes the following information:

“What” is the item identified in the template?

“Why” is it necessary, and

“Examples” of language to consider for the item.

Purpose

What: Defines scope of the manual.

Why: To provide clarity and achieve consistency in day-to-day procurement operations. Provides a practical application of generally accepted governmental purchasing practices.

Example: “This manual has been developed by the Materials Management Office (MMO) to establish uniform procedures relative to the procurement of goods and services for the State Procurement Office (SPO).”

Authority

What: Defines roles. Explains who can do what.

Why: Necessary to understand chain of command.

Example: “The Information Technology Management Office is authorized in Section 11-35-820 of the South Carolina Code of Laws commonly referred to as the Consolidated Procurement Code as follows:” (Insert appropriate Code reference here.)

Certification

What: Explains the dollar levels and/or types of products under which particular agencies can procure.

Why: To establish who has the authority to perform which procurement functions. Since “certification” may not be common across government procurement offices, however, you should consult your statutory guidelines before considering inclusion of this item.

Example: “A breakdown of certification levels (by state agency) can be found on the MMO website.”

See Attachment B. (Please note that this partial certification listing (page 1 only) pre-dates statutory changes to the South Carolina Consolidated Procurement Code in June 2006.)

Responsibilities

What and Why: Defines what procurement does and what is expected of agency staff to facilitate efficient turnaround.

Example:

“(1) Information Technology Management Office. The Information Technology Management Office shall be responsible for:

- (a) assessing the need for and use of information technology;
- (b) administering all procurement and contracting activities undertaken for governmental bodies involving information technology in accordance with this chapter;”

Ethics

What: Establishes the moral standards of conduct for personnel by setting policy regarding receipt of gifts, gratuities, entertainment, etc.

Why: Provides for public confidence in the procurement process.

Example:

“All SPO Personnel should adhere to the following items listed in the Code of Ethics as adopted by the National Institute of Governmental Purchasing, Inc.: (one example follows)

Seeks to dispense no personal favors. Handles each administrative problem objectively and emphatically without discrimination.”

Definitions

What: Defines terms used in the manual.

Why: Procurement staff, laypersons, etc., can easily identify and understand application and use of terms.

Example: ““Services” is the providing of consultant assistance for any aspect of information technology, systems and networks.”

Other terms to be defined could include:

- a. Requisitions
- b. Purchase Orders
- c. Contracts

Exemptions

What: Establishes unique items that aren't historically a good fit for the traditional procurement process.

Why: May allow for use of more informal procurement procedures.

Example: Human organs, legal services, medical doctors. Could include a composite listing of all items.

Agency Authority (If related to centralized procurement manual)

See Certification. Explains levels under which agencies can procure.

Delegated Authority

What: Addresses the transfer of procurement authority from one level to another.

Why: May be used to establish greater efficiencies in procurement or in times of crisis.

Example: See Attachment C.

Contract use Authorization

What: Determines what governmental entities are required and/or eligible to use contracts established by the office.

Why: Ensures that those who are required to use the contracts do so and provides limitations on their use. If governmental entities are dependent upon contract usage to support their revenue stream, this authorization maximizes the customer base. Such contracts provide greater savings when procured on an enterprise level through economies of scale.

Example: See Attachment D for form letter to request information from governmental entities.

Procurement Process, Methods & Procedures

What: Defines the different levels and types of procurement, methodologies, procedural matters, and steps in each process.

Why: Since procurement processes, methods and procedures change over time through changes to statute, etc., failing to maintain current procedures can negatively impact the planning process.

Example: “Competitive sealed bidding is the preferred method for acquiring goods, services, printing, and nonprofessional services for public use when the estimated cost is greater than \$50,000.”

Written Determinations

What: A document that supports agency decision-making.

Why: Provides a paper trail. Must withstand public scrutiny, internal and external audit. Must be supported by statute, code or regulation.

Example: See Attachment E – Determination Prior to Use of a Multi-Term Contract.

Source Selection Method

What: Provides an inventory of acquisition methods available to the procurement official.

Why: Procurement determines most appropriate source selection method based on a number of factors.

Example: “Preparing Solutions-Based Solicitations. There are many areas of concern for the Procurement Officer to discuss with the agency prior to publishing a solicitation. Attachment 14 (ITMO SOP) provides guidance on the areas of concern the agency should consider in preparing their solicitation.”

Administrative Review

What: Provides a mechanism for an “after-action” evaluation of the appropriateness of actions taken by a governmental body in the procurement process. Provides a tool for aggrieved parties to review those actions.

Why: Supports public confidence in the procurement process by ensuring that procurements are in compliance with code, statute, etc.

Example: “The Procurement Code instructs the Chief Procurement Officer to resolve the protest without a hearing whenever possible.”

Contract Administration

What: Provides for methods to maintain, modify, monitor, and provide corrective action and feedback to ensure performance and contract compliance. Defines responsibilities of each party to the contract.

Why: Establishes a mechanism to provide resolutions for performance failures by each party. Measures adherence to milestones and benchmarks established by contract.

Example: “The Director of Purchasing, after consultation with the County Attorney, or his/her, may include clauses appropriate for this purpose in bid and proposal specifications and contracts.”

Document Retention

What: Provides for adherence to procurement and/or agency retention schedules that allows for compliance with established agency policy. More restrictive requirements will prevail.

Why: To provide a systematic approach towards the maintenance of file documents.

Examples: “Upon expiration of the State Term Contract, the contract folder will be moved to the ITMO “N” Archive folder and retained in accordance with the ITMO’s retention schedule.

Access to Public Records

What: Provides for adherence to “sunshine laws” established in statute.

Why: Lends an air of transparency to procurement processes by allowing access to public procurement records by the vendor community, the media and general public. Aids in the administrative review process.

Example:

“Under the Freedom of Information Act (FOIA), any person has the right to inspect or copy any public record of a public body unless those records are exempt from disclosure.”

Emergency Management / Disaster Recovery

What: Defines what is applicable in the event of an emergency, roles and responsibilities of the organization, interface with other governmental entities, and actions necessary in times of crisis.

Why: Defines actions to be taken in the preparedness, response, recovery and mitigation phases of an emergency.

Example: “State Emergency Management: If the emergency situation is a State Emergency, ITMO’s role is to assist the Emergency Management Division with procurement functions and additional personnel when required.”

Implementation

The implantation plan (See Appendix A) that has been developed will consist of three phases. The first phase will include soliciting management input and obtaining their approval to move forward. This necessary step will allow for the refinement of the template utilizing management’s recommended revisions as well as establishing management buy-in. Without this support it will be virtually impossible to implement the template. Phase two will consist of making the template available for governmental agency use. This will be accomplished by utilizing the State’s Procurement Center

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Webpage and publishing a link to the template. A training template to facilitate governmental agency use is highly recommended. This template should be developed in conjunction with the posting of the template link. Phase three will be the most challenging of the three phases in that it will require the overhaul of the existing CPO and CIO manuals. Agency stakeholders as well as various levels of management must be included in this process in order to develop a comprehensive and useful manual.

Additional resources may be required to complete all three phases, the cost of which is unknown at this time.

Some obstacles that may be encountered are a lack of time, commitment and/or knowledge, especially for phases 2 and 3. These obstacles can be overcome. The lack of time can be overcome with a commitment by all involved to spend the necessary time to complete assigned tasks. Commitment can be established by including assigned tasks as objectives on EPMS Planners. The lack of knowledge can be overcome by utilizing the appropriate staff with the necessary skill sets and in addition, provide training to enhance the existing skill sets.

Resources

State Procurement Office (SPO) Standard Operating Procedures Manual revised 07/09/01

Information Technology Management Office (ITMO) Standard Operating Procedure Manual draft as 1/30/06

SC Budget & Control Board, Office of Internal Operations – Finance Budget Administrative Policies & Procedures Revised 1/24/2005

Charleston County School District Procurement Services Operating Procedures

USC Upstate Purchasing Department Manual Updated August 2006

Improving Purchasing Policies and Procedures, South Carolina Association of Governmental

Purchasing Officials Workshop, Jack T. Pitzer, Ph.D., CPPO, City of Alexandria, VA, 09/11/97

Marion County Procurement Manual

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State of Mississippi Purchasing Procedure Manual

City Of Independence (Missouri) Purchasing Manual dated August 2006

National Institute of Governmental Purchasing (NIGP) website and listserv

State of Minnesota Procurement Manual dated December 1997

State of Colorado Procurement Manual dated August 1997

Commonwealth of Virginia Agency Procurement and Surplus Property Manual Dated 9/98 Edition

National Association of College and University Business Officers, College and University Business Administration: Administrative Service Version, Washington, DC, 1974

**STATE PROCUREMENT OFFICE
STAFF TURNOVER AND
COMPARISON OF SOLICITATIONS PROCESSED
7/1/94-4/30/95 v. 7/1/04-4/30/05**

7/01/94 – 4/30/95					7/1/04 – 4/30/05				
Buyer	Years Experience at MMO	IFB	RFPs	Quotes	Buyer	Years Experience at MMO	Bids ¹	RFPs	Quotes
Doug Horton	22				Janet Watkins	10			
Don Caughman	3				Vickie Stephens	Less than 1			
David Quiat	4				Georgia Gillens	1			
Horace Sharpe	20				Allen Register ²	1			
Charlie Webb	18								
Leanne Castine	21				Cheryl Wolfe	Less than 1			
Freddy Sox	Less than 1								
John Stevens	4								
Lynda Pittman	17				Charles Johnson ³				
Bob Norris	Less than 1				David Rawl ⁴				
Jimmy Culbreath	18				John Stevens				
Totals⁵	129 yrs.	387	107	96	Totals	30 yrs.	99	51	0
Avg per Buyer		39	11	10	Avg per buyer		12	6	n/a
Avg Exp.	13 years				Avg Exp	4 years			
Exp. Median	17 years				Exp. Median	1 year			
Exp. Mode	18 years				Exp. Mode	1 year			

¹ Includes IFBs, best value bids, and fixed price bids.

² Allen has worked for SPO for 4 years, but 3 of those were spent in Contracts Administration. We made him a procurement manager 1 year ago.

³ Charles Johnson worked previously for MMO as a member of ITMO, but he processed different types of procurements then.

⁴ David Rawl is not a member of SPO, but rather an auditor who splits time between A&C and SPO.

⁵ Assumes 1 year for those less than one year.

ACTIVE ALPHABETICAL LISTING OF CERTIFIED AGENCIES AS OF DECEMBER 21, 2006

CERTIFICATION NO.	<u>AGENCY</u>	<u>CERTIFICATION DATE</u>	<u>EXPIRATION DATE</u>	<u>PROCUREMENT AREA/ COMMODITY CLASS</u>	<u>AMOUNT PER COMMITMENT/CONTRACT</u>
387)	ADJUTANT GENERAL	08/09/05	11/12/06	Goods and Services	\$ 25,000 per commitment
				Information Technology	\$ 25,000 per commitment
				Consultant Services	\$ 25,000 per commitment
				Construction Contract Award	\$ 25,000 per commitment
				Construction Contract Change Order	\$ 25,000 per change order
375)	AIKEN TECHNICAL COLLEGE	03/03/05	11/12/06	Goods and Services	\$ 25,000 per commitment
				Information Technology	\$ 25,000 per commitment
				Consultant Services	\$ 25,000 per commitment
292)	ALCOHOL AND OTHER DRUG ABUSE SERVICES	11/12/03	11/12/06	Goods and Services	\$ 25,000 per commitment
				Information Technology	\$ 25,000 per commitment
				Consultant Services	\$ 25,000 per commitment
392)	ARTS COMMISSION	11/01/05	11/01/08	Goods and Services	\$ 25,000 per commitment
				Consultant Services	\$ 25,000 per commitment
				Information Technology	\$ 25,000 per commitment
				Printing and Design	\$ 125,000 per commitment

Appendix A
Consultant Reports Data Table FY 2006

Inspection Number	Number of days from report out to correction of Hazards	Days between turn in and Send Out	Days between closing and turn in	E-Mailed to employer	E-Mailed to office	Days between closing and send out	Days between closing and Correction
503756686	55	1	0	N	N	1	56
503757049	47	9	1	N	N	10	57
503757635	NA	5	7	N	N	12	12
503757940	29	6	6	N	N	12	41
502927205	NA	11	1	N	N	12	12
503758070	NA	9	1	N	N	10	10
503760068	88	4	5	N	N	9	97
503761413	NA	5	8	N	N	13	13
503756496	8	3	10	N	N	13	21
503757916	46	4	3	N	N	7	53
503757973	7	7	6	N	N	13	20
503758393	7	2	4	N	N	6	13
503759193	0	0	5	N	N	5	5
503759219	0	4	4	N	N	8	8
503759789	27	8	7	N	N	15	42
503760159	4	7	3	N	N	10	14
503761694	132	2	6	N	N	8	140
503757122	NA	3	0	N	N	3	3
503758773	31	7	15	N	N	22	53
503758781	NA	10	15	N	N	25	25
503760134	153	2	0	N	N	2	155
503761058	27	7	0	N	N	7	34
503761678	NA	1	16	N	N	17	17
503762122	57	1	1	N	N	2	59
502925928	71	1	20	N	N	21	92
503760647	0	6	9	N	N	15	15

503758641	167	12	8	N	N	20	187
503757932	NA	0	4	N	N	4	4
503756348	NA	0	15	N	N	15	15
503759292	NA	0	10	N	N	10	10
503759326	NA	0	6	N	N	6	6
503759698	NA	3	44	N	N	47	47
503758039	40	3	10	N	N	13	53
503758021	41	3	10	N	N	13	54
503760209	NA	0	10	N	N	10	10
503759433	22	0	20	N	N	20	42
503759706	NA	3	9	N	N	12	12
503759680	90	0	1	N	N	1	91
503755324	1	3	0	N	N	3	4
503759466	1	0	5	N	N	5	6
503755753	NA	7	0	N	N	7	7
503755357	NA	1	6	N	N	7	7
503758732	NA	3	0	N	N	3	3
503758401	34	0	0	N	N	0	34
503755993	NA	3	0	N	N	3	3
503755597	28	1	11	N	N	12	40
503760167	66	2	8	N	N	10	76
503758435	17	1	6	N	N	7	24
503754954	NA	5	0	N	N	5	5
503759805	210	0	9	N	N	9	219
503761272	9	1	6	N	N	7	16
503761538	98	1	150*	N	N	1	99
503759284	3	1	3	N	N	4	7
503759334	87	3	5	N	N	8	95
503761173	NA	2	6	N	N	8	8
503760357	132	25	3	N	N	28	160
503760142	8	1	6	N	N	7	15
503763732	37	1	4	N	N	5	42

503756850	53	0	19	N	N	19	72
502926538	18	1	1	N	N	2	20
503756090	25	4	0	N	N	4	29
503758054	33	2	21	N	N	23	56
503758062	40	2	13	N	N	15	55
503759235	139	5	14	N	N	19	158
503758161	19	8	6	N	N	14	33
503757999	17	1	12	N	N	13	30
503758443	296	1	7	N	N	8	304
503755209	86	1	6	N	N	7	93
503758047	33	7	16	N	N	23	56
503755936	18	2	22	N	N	24	42
503758427	94	0	2	N	N	2	96
503757734	28	0	4	N	N	4	32
503761082	NA	3	5	N	N	8	8
503755720	23	1	7	N	N	8	31
503762927	2	1	5	N	N	6	8
503754673	87	2	0	N	N	2	89
503759953	30	1	4	N	N	5	35
503759474	26	1	6	N	N	7	33
503757882	17	11	9	N	N	20	37
503757536	60	2	11	N	N	13	73
503754319	12	1	120*	N	N	1	13
503755787	90	3	8	N	N	11	101
503760043	0	6	6	N	N	12	12
503756058	161	7	14	N	N	21	182
503755100	24	1	8	N	N	9	33
503757551	71	6	1	N	N	7	78
503757353	30	1	6	N	N	7	37
503759672	32	3	4	N	N	7	39
503757643	30	0	5	N	N	5	35
503755332	117	6	9	N	N	15	132

503755530	83	4	8	N	N	12	95
503756397	NA	10	5	N	N	15	15
503756868	NA	5	23	N	N	28	28
503754111	155	6	14	N	N	20	175
503757130	NA	4	7	N	N	11	11
503755829	NA	8	8	N	N	16	16
503755258	110	1	4	N	N	5	115
503756579	28	1	2	N	N	3	31
503756777	41	2	12	N	N	14	55
503759318	44	1	12	N	N	13	57
503756132	NA	5	13	N	N	18	18
503754947	74	1	11	N	N	12	86
503757908	0	7	8	N	N	15	15
503758450	27	1	4	N	N	5	32
503755563	62	8	6	N	N	14	76
503756785	21	3	4	N	N	7	28
503756165	3	5	3	N	N	8	11
503759573	NA	4	6	N	N	10	10
503760324	NA	1	4	N	N	5	5
503756355	27	5	7	N	N	12	39
503758740	53	3	8	N	N	11	64
503755175	14	7	3	N	N	10	24
503759151	35	3	2	N	N	5	40
503756033	30	1	11	N	N	12	42
503756025	30	1	11	N	N	12	42
503757858	27	4	3	N	N	7	34
503759300	154	4	9	N	N	13	167
503762114	17	4	2	N	N	6	23
503759276	28	4	2	N	N	6	34
503761462	55	0	3	N	N	3	58
503755076	110	1	105*	N	N	3	111
503757189	11	3	30	N	N	33	44

503760852	NA	6	2	N	N	8	8
503927288	65	4	17	N	N	21	86
503760035	37	5	7	N	N	12	49
503757672	20	5	0	N	N	5	25
503757080	27	5	8	N	N	13	40
503757387	54	1	9	N	N	10	64
503758674	27	1	11	N	N	12	39
503758666	10	2	12	N	N	14	24
503757841	28	4	2	N	N	6	34
503756264	1	8	11	N	N	19	20
503755399	63	2	13	N	N	15	78
503755522	23	2	5	N	N	7	30
503755290	49	0	6	N	N	6	55
503754251	66	4	7	N	N	11	77
503755449	20	5	2	N	N	7	27
503755118	1	3	0	N	N	3	4
502927767	94	1	5	N	N	6	100
503757338	29	3	4	N	N	7	36
503758369	225	2	13	N	N	15	240
503757601	55	1	19	N	N	20	75
503762064	24	1	6	N	N	7	31
503755266	NA	1	7	N	N	8	8
503755274	61	2	7	N	N	9	70
503758757	27	2	5	N	N	7	34
503757171	24	5	3	N	N	8	32
503755886	68	6	7	N	N	13	81
503757197	12	16	4	N	N	20	32
503761868	43	2	4	N	N	6	49
502927296	133	2	22	N	N	24	157
503757098	NA	0	12	N	N	12	12
503755639	16	5	1	N	N	6	22
503758005	156	4	8	N	N	12	168

STATE OF SOUTH CAROLINA
State Budget and Control Board
PROCUREMENT SERVICES DIVISION

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R. VOIGHT SHEALY
MATERIALS MANAGEMENT OFFICER

January 4, 2007

Ms. Janet Watkins
Procurement Manager
Department of Mental Health
2414 Bull Street
Columbia, SC 29202

Re: Delegation of Authority to Solicit and Award Contracts
Juices

Dear Janet:

South Carolina Code Section 11-35-840 reads, "The chief procurement officers may delegate authority to designees or to any department, agency, or official." Under that provision of the Code, I authorize your office to solicit and award contract(s) for juices in excess of the department's certification. I make this delegation in consideration of your extensive experience conducting competitive procurements with this office. Based upon your estimate, I understand that you believe the value of the contract may exceed \$550,000 over five years. Of course, all of the procurement procedures of the Consolidated Procurement Code must be applied to this procurement, but I am confident in your ability to conduct it accordingly.

Unlike certification by the Budget and Control Board, this delegation of authority is limited to these specific procurement transactions, *i.e.*, is not transferable to any other transaction.

Respectfully,

Voight Shealy
Chief Procurement Officer
for Goods and Services

C: Larry Sorrell
John Stevens

[date]

TRANSMITTED VIA FACSIMILE: [number]

[address]

RE: Request to Purchase off State Term Contract

Dear [name]:

[Introductory Paragraph, e.g., The State Procurement Officer, Jimmy Culbreath, forwarded your letter dated date to me for a response. In your letter, you sought permission for requestor's full name to participate in this office's state-wide, term contract for commodity.]

In order to participate in a state-wide, term contract established by this office, your organization must be a local public procurement unit. Section 11-35-4610 of the South Carolina Code of Laws defines a local public procurement unit as "a political subdivision or unit thereof which expends public funds for the procurement of supplies, services, or construction." In order to determine whether your organization fits within this definition, we will need the following information. If you have documents that reflect the requested information, you may simply provide the document and mark the text that contains the requested information. When marking documents, please identify which question the text addresses.

Name of Entity: Provide your organization's full name and principle business address.

Type of Entity: State whether your organization is a business, partnership, non-profit corporation, corporation not-for-profit, county, municipality, school district, public service district, special purpose district, special tax district, or some unit of one of these.

How Created: State how was your organization created? Documentation is required.

Who Created: State who created your entity. For example, was your entity created by the General Assembly, a municipality, a county, a school district, individuals? If your organization was created by a county, please state whether it was established as a taxing district or special purpose district.

Legal Authority: Identify any applicable laws that authorize or govern your entity's existence. Examples include (a) special tax district created pursuant to section 4-9-30(5); (b) corporation not-for-profit created under Title 33, Chapter 36; (c) special purpose district registered under section 6-11-1620; or (d) special purpose or public service district created by special legislation.

Registered: State if, and how, your organization is registered with the Secretary of State. Documentation of any relevant documents, e.g., articles of incorporation or by-laws are required. If your organization is registered under Section 6-11-1620, provide a signed copy of the Special Purpose District Notification Form your organization filed with the Secretary of State.

Purpose: State the purpose for which your organization was created. Would you characterize that purpose as governmental or non-governmental? Identify the specific geographic area your organization serves, if any.

Governing Body: Does your entity have a governing body? If so, explain the type of governing body which controls your organization and how that body's members are chosen. For example, is the governing body elected, and if so, by whom? Or, is the governing body appointed, and if so, by whom?

Funding: Identify every type of funding source used by your agency, *e.g.*, federal or state grants, state appropriations, user fees, profits from sales. State whether your organization can levy a tax assessment. Please explain.

Bonds: State whether your organization is empowered to issue revenue or general obligation bonds.

If you have any questions regarding this letter, please call Keith McCook at (803) 737-0611.

cc: Keith McCook, Assistant General Counsel, B&CB

Form Letter to Local Public Procurement Units regarding participation in state-wide term contract. Version dated 12-16-03.

**DETERMINATION PRIOR TO USE
OF A MULTI-TERM CONTRACT**

Based upon the following determination, the proposed multi-term contract described below is being entered into pursuant to the authority of Section 11-35-2030.(2) of the South Carolina Consolidated Procurement Code and Regulations 19-445.2135.D.(1) (2).

- ☐ Estimated requirements cover the period of the contract and are reasonably firm and continuing.
- ☐ Special production of definite quantities or the furnishing of long-term services is required to meet state needs.
- ☐ A multi-term contract will serve the best interests of the state by encouraging effective competition or otherwise promoting economies in state procurement.
- ☐ Firms which are not willing or able to compete because of high start-up cost or capital investment in facility expansion will be encouraged to participate in the competition when they are assured of recouping such costs during the period of contract performance.
- ☐ Lower production cost because of larger quantity or service requirements and substantial continuity of production or performance over a longer period of time can be expected to result in lower unit prices.
- ☐ Stabilization of the contractor's work force over a longer period of time may promote economy and consistent quality.
- ☐ The cost and burden of contract solicitation, award, and administration of the procurement may be reduced.

Explain why this determination applies to this contract:

DATE

GOVERNMENTAL BODY

SIGNATURE

SOLICITATION NUMBER

TITLE

Distribution: Original copy retained in contract file.

Appendix A

Implementation Plan

Phase 1 – Obtain Management Approval

- A. Submit draft to management**
- B. Management recommends revisions**
- C. Revisions incorporated into template**
- D. Revised template resubmitted to Management for final approval**
- E. Template approved for use**

Phase 2 – Publish Template for use by Governmental Agencies

- A. Establish training tool for governmental agencies**
- B. Develop training template**
- C. Define roles of involved individuals**
- D. Post a link to the Template on the State's Procurement Center Website**
- E. Implement training**

Phase 3 – Revise CPO and CIO Procurement Manuals

- A. Define roles of involved individuals**
- B. Review existing Standard Operating Procedures**
- C. Recommend revisions**
- D. Obtain management approval**
- E. Implement updated manual**

TIMEFRAMES

Phase 1 – May 1, 2007 – June 30, 2007

Phase 2 – August 1, 2007 – November 30, 2007

Phase 3 – September 1, 2007 – February 28, 2008

CPM PROJECT
AN ANALYSIS OF THE REPORT PROCESS
By
HARVEY JESSUP
SOUTH CAROLINA DEPARTMENT OF LABOR LICENSING AND
REGULATION
February 1, 2007

Problem Statement

The consultation group of the Department of Labor, Licensing and Regulation's Office of Voluntary Programs (OVP) provides a service to employers and employees of the State of South Carolina by visiting workplaces at the employer's request and consulting with them to ensure that the workplace is free of safety and health hazards. A major portion of this service is to send the employer a report of the hazards that are found on the site with the methods for them to correct them. By federal law, the hazards found must be corrected and the employer must report back to the OVP office in writing that the hazards have been corrected, how and when they were corrected, and how the hazards will be prevented in the future. To ensure worker safety we constantly strive to ensure hazards are corrected as quickly as possible. The OVP office currently has 16 employees.

In past years, we have made enhancements to the report writing process by moving to a computerized report writing system with each consultant writing their own report. (Formerly, the consultants would hand write the report and an administrative assistant would then type the report.) This lowered the time it took to get the report to the employer by removing a backlog in the office, where the assistant had to transcribe hand written reports. With improvements in computer laptop technology, Internet capability at home and office, and the addition of wireless technology in the office, there was an opportunity for improvement. Therefore, my project centered on refining methods and processes to decrease the time taken to report and eliminate hazards and improve consultants' efficiency in writing the reports.

Data Collection and Analysis:

An analysis (Appendix A) was done on General Industry reports performed during the fiscal year of 2006. July 1, 2005 –June 31, 2006. The parameters looked at were the times from the closing conference (when the employer is verbally informed of the hazards found on the site and is given time frames for the correction of those hazards) to when the report gets to the office, the time it takes to process and mail the report to the employer and how long it takes until all hazards are corrected. The data in this table were not retrievable through the computer system but were gathered by going through each report by hand. Also done was a flowchart (Appendix B) of the whole process to help discover the points where change would benefit the most. The consultants were also given input into the process through informal discussions during monthly meetings and also private or small group discussions. These meetings and discussions have been the preferred way of communication because of the small size of our division and the fact that the consultants are field employees who spend much of their time on the road.

The parameters for data collection chosen were based on the analysis of the flowchart, where the consultant has the most control over the process, and where technology could help. The analysis of the process showed that until the consultant gets on the site they have less control of the time required to complete the process. OVP is a voluntary service and thus is reliant upon accommodating the employer as to a convenient time to do the consultation. Once the consultant gets on the site, however, they gain more control over the pace of the consultation as far as setting abatement dates and writing the report. In previous years, we addressed the report writing process itself by

assigning the responsibility of typing the initial report to the consultant. The consultants with the advent of laptop computers have been able to write reports outside of the office environment, but were still taking time to bring the report physically into the office to be processed and sent to the employer. Data showed that the time the report spent in the office after turn in was on average 3.2 calendar days. Time from closing conference to the report being in to the office was 7.4 calendar days. This time included the time to write the report, which averaged 3.2 hours per inspection. During consultant interviews, they did say sometimes they had the report finished but could not make it into the office to turn it in due to other ongoing visits. This would seem to account for the difference in report writing time and time into the office, though other factors needed to be considered. It could have been non-workdays or the consultant may have wanted to finish several reports before coming into the office. The other area on the chart was the time that the report left the office to when the final correction verification was received. This was the greatest time frame and bears looking at but it must also be considered that the abatement time is also included in this and abatement times set by the consultant may range from 0-30 days and extensions of time may be granted after that.

Discussions were held with the consultants, and it was mutually agreed upon, that being able to E-mail reports into the office would save time in two ways: It would allow the consultants to send in reports earlier when they could not get into the office, and it would allow the supervisors to correct any mistakes electronically before the report went to the administrative assistant for final proof printing. The administrative assistant was consulted as to what was essential to her to be able to process the report and send it to the employer and she noted that she did not need most of the physical paperwork to send the

report, and electronic reports were sufficient. Physical paperwork could be added to the file later. Also discussed was the future possibility of being able to E-Mail the employer the report to assist them in reporting back to us faster.

Solutions:

After the data analysis and consultant discussion the following solutions to improve the report writing process were evaluated:

1. To set up a process by which the consultants could get the reports into the office without having to come into the office.
2. To manage the entire report process electronically including sending the report to the employer via E-mail and only make one hard copy of the report for the file.
3. To send an electronic copy of the verification and extension of time forms to the employer.
4. To have the consultants send the report to the supervisors for correction instead of the administrative assistant.

Each of these solutions was evaluated on its feasibility, effectiveness and ease of implementation.

Item one presented very few problems as the e-mail system could handle this very well. The consultants needed training on how to access the Internet from home and also needed updated laptop computers and modems for wireless Internet to eliminate some of the technical issues of changing the computer Internet cables every time they needed to e-mail. Also problematic was the fact that not all the consultants had high speed Internet at home. Dial-up connection could be established to the NCR (our OVP server) and they

could also e-mail through a dial-up connection but it was very slow. Fortunately, the IT department had developed a method where we could connect to the NCR and our office system from home but it required the use of high speed Internet. This would also address the consultant having to come into the office to turn in reports. Modifications would have to be made to the handling of the reports and some of the paperwork involved would have to be put into electronic format, but it was feasible.

Item 2 (emailing reports to the employers) would possibly speed the employers report back to us with corrections but because of legal problems and privacy concerns it was scheduled for possible later implementation when technology allowed for more secure transmission. We need to ensure that employers are receiving the reports and that the reports are not being altered before the employees see them (as required by law).

Item 3 (sending electronic verification forms to employers) was a subset of Item 2 but at a smaller scale. Instead of sending the whole report to the employer electronically we could send the verification forms. This would let the employer report back to us faster as well as keep a computer record of what still needed correction.

Item 4 (adding a middle step of sending reports directly to supervisors) was a very simple change that went hand in hand with e-mailing the report but removed the step in the process where the administrative assistant prints the report for the supervisor's review and the step where the administrative assistant makes the supervisor's corrections. This was a total of two process steps eliminated.

Implementation:

An implementation plan was developed and can be viewed in Appendix C. At the start of the process I had hopes that the implementation would go faster than it did. The delay of the computers was the biggest setback. When they did arrive it was already December, and IT needed some time to configure them. Vacations near the holiday further interfered with getting the computers to the consultants. Fortunately, the consultants had been trained in September how to e-mail the reports and were doing it on a more routine basis with the old computers or their home computers by the end of November. The consultants seemed to be resistant to emailing the reports into the office. For a time after the training and policy change they were still carrying the reports to the office. Finally the policy had to be enforced more rigorously to get compliance.

When the new computers arrived there were some slight variations in functions that needed additional instructional time for the consultants. Also, some of the new computers need to be returned to IT for further configuring. We are still in the process of installing the wireless routers for the consultants who do not have them.

Internet access for the consultants was also a major concern, but it was also one that could not be addressed in the action plan due to the department not being able to force the consultants to get high speed internet in their homes. As of January 07 all of the consultants but one have Internet access in their homes.

Originally, the solution items that were developed also had a plan to get an electronic copy of the report to the employer to try and help them in keeping track of action items in the report and assisting them in e-mailing correction and extension responses back to us.

This was not something that could have been done universally because not all of the employers we work with have computer access. It was decided that to legally ensure the employer and only the employer received the report we had to mail a hard copy to them via certified mail. Also, there was a concern that because the documents were written in MS Word, they might be altered before they were shown to the employees. This may be solved in the future by using PDF documents, but because of the timeframe involved to implement, this was not addressed for this project. Currently, we are giving the Correction and Extension form only to those employers who ask for them.

Total cost for the hardware was around \$11,340.00. Approximately 140 work hours were required to implement the changes.

Evaluation Method;

Evaluation of the solutions will be based on the same data table that was collected in Appendix A. We will be looking for a decrease in the time between closing the report and sending it to the employer and the days between send out of the report and closing the report. Also we will be looking at number of inspections done per year to see if this raises productivity.

Data from Appendix A will be pulled from the reports on a quarterly basis by hand until a better procedure for collecting this data can be developed. Data will be evaluated at the end of each State fiscal year.

Conclusions:

The changes made in this project should help us to provide better service to the people of South Carolina. As the consultants become better with the computer technology and tools they have received, they will become more efficient in the report writing and lower the time it takes to get hazards corrected. Already they are saying that they like the new system and the supervisors find it much easier to correct reports when they are on the computer. This process has eliminated the need to print an initial copy of the report for proofing. This should save time and paper. The employers have given positive comments about getting the correction reporting and extension forms electronically, though not all of the employers request them.

During this project I realized that implementation of a new process is not an easy or a quick thing to do. In the past, I worked independently in the office, and thus was not dependant on others to accomplish tasks. This project forced me to have to deal with others to accomplish my goal, either through having to train them, require them to change the way they do things or assist me in writing new policies and procedures. I learned that people do not like change even if for the better, especially if it means more work initially. The process did not go as quickly as I would have liked, but it was mainly my fault for not pushing harder to get people to change. I believed that allowing them go at their own pace, the new process change would create excitement and they would work hard at making the change successful. This was not the case with some and they had to be pushed harder to change old habits.

During the process, I also realized that I had not planned everything out to the degree to which it needed and had to add things to the plan. Some of the initial plans did

not work out, such as e-mailing the report to the employer, but these are things to possibly review for future projects. I am satisfied with what I have accomplished but intend to continue to refine the processes and systems at OVP to help expedite the process of reducing injuries and illnesses for the working people of South Carolina.